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SUBJECT: THE PAST AND FUTURE OF LABOR STRUGGLES IN KOREA

SUMMARY

11. (SBU) In a meeting with poloff on May 23, Korea Labor & Society Institute Chairman Lee Won-bo said that labor union leaders in Korea continue to be arrested, but reluctantly conceded that police had legitimate reasons for doing so. Although Korea's labor laws have undergone some serious reform in the past two decades, labor unions remained dissatisfied with the amount of progress and would continue to demand further changes. According to Lee, as long as people perceive that labor laws do not adequately protect the worker, unions were likely to use strikes and demonstrations as common forms of public protest to draw attention to otherwise under-publicized issues. Lee also opined that even the largest labor union umbrella organization would not shy away from its propensity for strikes; contrary to what was widely reported in the media when the new union leader took office in January of this year. END SUMMARY.

KLSI'S MISSION

12. (SBU) Formed in the year before Korea's democratization officially began in 1987, the Korea Labor & Society Institute (KLSI) has transformed itself from an education center to a think-tank. Formed by several key leaders in the labor movement including Kim Keum-soo (current President of KLSI) and Chun Young-se (current General Secretary of the Democratic Labor Party), KLSI was originally named the Korea Labor Education Association (KLEA). The original mission was to educate a new cadre of labor union officials to begin an era of labor movements. Their efforts culminated in the "Great Worker's Struggle" of 1987.

13. (SBU) In May 1995, KLEA shifted gears toward research and KLSI was born. Not coincidentally, the second largest trade union organization in Korea, the Korean Confederation of Trade Unions (KCTU) was formed six months later in November 1995 with the strong support of KLSI's leaders. (Note: The largest trade union umbrella organization, the Federation of Korean Trade Unions, or FKTU, was formed in August 1961. End note.) With the labor union movement making good strides to secure more rights from employers and more importantly to secure more comprehensive legislation from the government,

the change from KLEA to KLSI was made to better serve the new demands of the labor union members. Scholars and academics were added to the staff and the focus shifted to informing members about general issues of mutual concern and proposing new labor policies to present to the central government. KLSI is funded through member dues and revenue obtained from sales of educational materials. KLSI has a reported 800 members and is managed by a 40-person board of advisors representing a cross-section of civil society groups, academics and lawyers.

THE GREAT LABOR STRUGGLE

14. (SBU) The labor movement of 1987 had strong connections to the democracy movement of the same year. In this context of political democratization, the government, which faced strong pressures from the labor movement and opposition parties to reform the existing legal framework for authoritarian labor control, revised the Trade Union Act in November 1987. The revised Trade Union Act promoted workers' rights to organize by abolishing existing requirements and various restrictions placed on labor unions. However, since the revised law prohibited the establishment of multiple unions, it was harshly criticized for the following ten years by union activists at home and by international labor organizations.

15. (SBU) Workers welcomed this new era of labor freedom by joining labor unions at an unprecedented rate. Unionization rates increased from 12.4 percent in 1985 to 18.6 percent in 1989. The number of strikes also jumped during this period with approximately 3,500 labor conflicts between July and September 1987 alone.

LABOR RELATIONS: 1987-1997

16. (SBU) According to KLSI's statistics, between 1987 and 1996, 2,807 union officials were arrested or indicted. The most common grounds for these arrests were violation of the third party provision, obstruction of business and failure to comply with compulsory arbitration. The third party provision stipulated that a third party organization or individual could not interfere in a dispute between an employer and an employee. At the time, the government felt many labor unions and civil right's groups acted "irresponsibly" in these matters and therefore the legislation was designed to exclude all outside forces from intervening in contentious labor situations.

17. (SBU) After a decade of pressure and extensive media coverage of the arrest of union officials, the ROKG passed the Trade Union and Labor Relations Adjustment Act in March 1997. This law was a substantial and full-scale reform of the existing legal framework to administer industrial relations and labor markets. The Act allowed the establishment of multiple unions, removed the provision banning unions' political activities and third party intervention and prohibited wage payments to full-time union official beginning in 2002. (Note: The multiple union and wage payment issues remain points of contention as the enactment was once again postponed until January 2010. End note.)

LABOR RELATIONS: 1997-PRESENT

18. (SBU) According to KLSI's Lee, even after the provision banning third party intervention was repealed, police continued to arrest union officials on other charges. Officials continued to be arrested primarily on the grounds that they violated the terms of compulsory arbitration or obstructed business. Additionally, police began to use more common provisions such as trespassing and traffic violations

in order to arrest union officials participating in demonstrations in public areas. KLSI noted that, on average, more than 200 union officials have been arrested every year since 1997. Although slightly lower than the previous decade, Lee said the detention of union officials continues to be a serious concern for his organization and the trade union umbrella organizations.

¶9. (SBU) Lee conceded that media reports were correct in reporting that police generally refrained from arresting union officials who participated in illegal demonstrations or strikes as long as their actions remained peaceful. Additionally, police tended to arrest union officials responsible for organizing violent protests rather than the actual participants of the protests. An example of this occurred in 2003 when union officials responsible for organizing an illegal hospital strike were arrested for failing to comply with compulsory arbitration. Although numerous hospital workers also participated in the strike, only the union officials were arrested.

WHY UNIONS PROTEST

¶10. (SBU) According to Lee, labor unions protested for several different reasons. Although some of the causes were internal to the workplace and the worker, others had an external element or focus. In the past 20 years of labor struggles, the most commonly cited reasons for union uprisings were lack of good faith on the part of the employer and a lack of responsiveness by the ROKG to the complaints of workers. In Lee's opinion, the majority of demonstrations focused externally at the ROKG and labor policies in general as opposed to internal working conditions or labor issues of a specific workplace.

FUTURE OF KCTU

¶11. (SBU) Poloff inquired what the future of the KCTU was and the probability that it would rely less on strikes as the predominant method of interaction with the ROKG. Lee said that although the new president of KCTU was more moderate than past presidents, there remained a strong likelihood of strikes in the upcoming annual wage negotiation period in July. Despite public statements by KCTU's president Lee Seok-haeng that he would not take lightly the decision of whether or not to hold a strike (Seoul 306), he allegedly meant that he will be better prepared and will work to rally more support from KCTU affiliates throughout the country before launching a strike. Along a more conciliatory line, Lee apparently continues to try to build closer relationships with several government ministries (namely the Ministry of Construction and the Ministry of Transportation) to broaden his contacts and influence within official circles.

IMPACT OF LABOR REFORMS IN 2010

¶12. (SBU) In December 2006, the National Assembly's Labor Committee passed several bills, including a delay in the implementation of multiple unions and the ban on direct pay of union officials until 2010. The delay was justified on the grounds that Korea's labor market was not suitably prepared to handle the tough adjustments that will be necessary once the laws go into effect. Despite reports that the MOL is working to minimize the impact of the laws, Lee said that there will be widespread confusion when the laws take effect. Some of the questions that remained unanswered were: How will multiple unions organize their collective bargaining actions? How will unions finance the hefty payroll of union officials? According to Lee, one effect will be a stronger trend toward regional or industrial-based unions and a continued erosion of workplace-based unions. It

also remained to be seen how the government will interact with labor groups. If the ROKG cannot find the correct balance between flexibility and security, or "flexicurity", then Lee predicted that there will be even more strikes and protests as workers voice their discontent with the new arrangement.

COMMENT

¶13. (SBU) Although KLSI and Lee's opinions are closely and unabashedly aligned with labor unions, his perspectives are useful as they offer insight into the thinking of labor unions that are often reluctant to meet with embassy officers. Of particular note was Lee's admission that union officials were normally arrested on legitimate legal grounds as opposed to trumped up charges. As torch-bearers for the broader union membership, union officials are likely to continue to pursue public actions (demonstrations, protests and strikes) that will draw increased attention to their plight; actions that may often land them in jail as well. Many union officials feel this is an obligation that goes along with their leadership position in the union and do not have reservations about arrest or a criminal record as these are looked upon as badges of courage among leaders at all levels of Korean society.

VERSHBOW